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*Proposed Counsel for Official  
Committee of Tort Claimants*

**IN THE UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION**

**In re:**

**PG&E CORPORATION**

**-and-**

**PACIFIC GAS AND ELECTRIC  
COMPANY,**

**Debtors**

- ☐ Affects PG& E Corporation
- ☐ Affects Pacific Gas and Electric Company
- ☒ Affects both Debtors

*\*All papers shall be filed in the Lead Case,  
No. 19-30088 (DM)*

Case No. 19-30088 (DM)  
Chapter 11  
(Lead Case)  
(Jointly Administered)

**STATEMENT OF THE OFFICIAL  
COMMITTEE OF TORT CLAIMANTS  
IN RESPONSE TO (I) MOTION OF  
DEBTORS PURSUANT TO 11 U.S.C.  
§§ 363(b) AND 105(a) FOR AUTHORITY  
TO CONTINUE PERFORMANCE  
UNDER PREPETITION SETTLEMENT  
AGREEMENT WITH BUTTE COUNTY  
DISTRICT ATTORNEY'S OFFICE TO  
FUND ENHANCED FIRE PREVENTION  
AND COMMUNICATIONS PROGRAM,  
AND (II) LIMITED OBJECTION OF THE  
SINGLETON LAW FIRM FIRE VICTIM  
CLAIMANTS [Dkt. Nos. 770, 986]**

Date: March 27, 2019  
Time: 9:30 a.m. (Pacific Time)  
Place: United States Bankruptcy Court  
Courtroom 17, 16<sup>th</sup> Floor  
San Francisco, CA 94102

1 The Official Committee of Tort Claimants (hereafter, the “TCC”), representing the largest  
2 group of stakeholders in these jointly administered bankruptcy cases, hereby responds (the  
3 “**Response**”) to the (1) Debtors’ Motion Pursuant to 11 U.S.C. §§ 363(b) and 105(a) for Authority  
4 to Continue Performance Under Prepetition Settlement Agreement with Butte County District  
5 Attorney’s Office to Fund Enhanced Fire Prevention and Communications Program (the “**Motion**”)  
6 [Dkt. No.770], and (2) Limited Opposition to Debtors’ Motion Pursuant to 11 U.S.C. §§ 363(b)  
7 and 105(a) for Authority to Continue Performance Under Prepetition Settlement Agreement with  
8 Butte County District Attorney’s Office to Fund Enhanced Fire Prevention and Communications  
9 Program (the “**Opposition**”) filed by the Singleton Law Firm Fire Victim Claimants [Dkt. No.  
10 986]. The TCC states as follows:

11 **STATEMENT**

12 The TCC has reviewed both the Motion and Opposition, and does not object to the Motion.  
13 Instead, the TCC offers the following observations:

14 1. PG&E’s assertion that it entered into the Settlement Agreement<sup>1</sup> for the purpose of  
15 “reducing the risk of fires caused by vegetation,” is a misrepresentation to this Court. At the time  
16 of the subject settlement, Pacific Gas & Electric Company (“**PG&E**”) was and remains a convicted  
17 felon on criminal probation. PG&E entered into this Settlement Agreement in order to avoid  
18 criminal charges, which it knew would be a violation of its probation<sup>2</sup>. PG&E violated the terms  
19 of its probation by failing to notify the Federal Probation Officer of the pending criminal  
20 investigation. (See *USA v. Pacific Gas and Electric Company*, No. CR 14-0175 WHA, Dkt. No.  
21 1000.) PG&E has not yet been sentenced with regard to its probation violation and it remains to  
22 be seen how this settlement may be affected by the sentencing of PG&E. In addition, on April 2,  
23 2019, the District Court, Hon. Judge William H. Alsup, has scheduled a hearing on the Second  
24 Order to Show Cause Why PG&E’s Conditions of Probation Should Not Be Modified, *USA v.*  
25 *Pacific Gas and Electric Company*, No. CR 14-0175 WHA, Dkt. No. 1027. The District Court  
26 retains jurisdiction over this matter and the TCC suggests the hearing on this matter be deferred

27 \_\_\_\_\_  
28 <sup>1</sup> All capitalized terms not defined herein shall have the meanings ascribed to them in the Motion.

<sup>2</sup> If PG&E’s motivation for entering into this settlement was the prevention of wildfires, it would not have negotiated a release of criminal charges with the District Attorney.

1 until after April 2, 2019, to determine whether the District Court enters a sentence that affects the  
2 terms of the Settlement Agreement.

3 2. The Settlement Agreement defines two terms, Claims and Charges, as civil claims  
4 and criminal charges that the Butte County District Attorney may bring on behalf of the People;  
5 but the release provisions use the words “claims” and “charges” instead of the defined terms Claims  
6 and Charges, which likely was a typographical error. In the TCC’s view, the Butte County District  
7 Attorney may release claims and charges that only the Butte County District Attorney may  
8 prosecute, and are not the public’s at large. The TCC believes the parties should eliminate the  
9 ambiguity in the Settlement Agreement by confirming they intended to use the defined terms  
10 Claims and Charges in the release provisions of the Settlement Agreement.

11 3. With respect to payment of unfunded Butte Fire Claim Settlements, the TCC  
12 believes the request for that relief is best considered pursuant to a noticed motion.

13 **CONCLUSION**

14 The Committee requests that the Court enter relief consistent with this Response as it  
15 determines is just and proper.

16  
17 Dated: March 24, 2019

Respectfully submitted,

18  
19 BAKER & HOSTETLER LLP

20 By: /s/ Robert A. Julian  
21 Robert A. Julian

22 Proposed Attorneys for Official Committee of Tort  
23 Claimants  
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